



COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

June 2, 2005

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Ms. Sandra O. Sieber
Director, Army Contracting Agency
Skyline 6, Suite 302
5109 Leesburg Pike
Falls Church, VA 22041-3201

Dear Ms. Sieber:

In your capacity as the Director of the Army Contracting Agency, I want to say thank you for the Army's support of the Javits-Wagner-O'Day Program's (JWOD) Base Supply Center (BSC) initiative. As a member of the Committee for Purchase from People Who Are Blind or Severely Disabled (Committee) you know that the JWOD Program is the single largest employer in the United States of people who are blind or have other severe disabilities, and that BSCs continue to play an important part in accomplishing the JWOD Program's employment mission. In FY 2004, the Program's BSCs provided in-store employment opportunities for over 200 blind or severely disabled people and sold approximately \$56M worth of JWOD products in addition to approximately \$208M worth of other commercial products.

As you will remember, the Committee completed a review of BSC operations in 2004 and approved several recommendations for strengthening and improving its requirements for the operation of the BSCs associated with the JWOD Program. When fully implemented, the recommendations will help to ensure the appropriate oversight and operation of the BSC initiative and to better align their operation with the program efficiency objectives within the JWOD Program's 2005-2007 Strategic Plan. Included in the approved recommendations is the requirement to convert BSCs established on the basis of Memoranda of Agreement (MOA) to BSCs established by No-Cost Service Contracts (NCSC). The Committee's Executive Agent for BSCs, National Industries for the Blind (NIB), has directed its NPAs that are currently operating BSCs under the terms of MOAs to replace those MOAs with NCSCs as they come due for renewal. In the case where long-term agreements exist, the BSC Operators have been given the latitude to work with the Government to determine a mutually acceptable schedule for conversion.

This action was taken because the Committee determined that, under the JWOD Program, a NCSC is the most appropriate contractual document to legally describe the terms and conditions of BSC operations. The Committee's review determined that MOAs are more appropriate for use between one Government agency and another, and that the NCSC is the right contract vehicle to document terms and conditions agreed to by a Government agency and a non-Government contractor like a NPA.

A NCSC offers several advantages. While NIB performs compliance inspections and assistance visits to each BSC to find out what is going on and to identify trouble spots, Government agencies should want to take prudent steps to help improve the oversight, operation, and Government Purchase Card (GPC) holder satisfaction with their associated BSC. Appointment of a Contracting Officer Representative, under a NCSC, can help accomplish this. It is important that the Government and NIB each do their part to ensure that BSCs continue to exceed the JWOD Program's and the Government customer's expectations.

A NCSC established for a base year with four follow-on years provides an annual opportunity to review the SOW to ensure that it accurately describes an installation's requirements for the BSC. An annual

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review also affords the NPA the opportunity to bring matters of its concern to the contracting officer's attention. The Committee expects that the requiring Government activity and the NPA will negotiate a product inventory mix and availability that will meet expected Government customer demands and that is within the corporate capability of the NPA to provide and deliver. The NCSC should identify any products that are prohibited for purchase by your GPC holders. Since the Government and NPA are interested in customer satisfaction, both parties should negotiate customer service and satisfaction standards that will ensure that both parties' objectives for operation of the BSC are met.

As you know, the Committee does not set the price for any of the products sold in BSCs. The requiring activity must negotiate with the NPA to establish retail pricing parameters for both JWOD and non-JWOD products proposed for sale that are fair and reasonable to both. Negotiations for both product categories may arrive at actual prices, not-to-exceed prices, certain mark-up parameters, or an agreement to sell products at prevailing market prices supported by periodic market basket surveys.

The Committee requests your assistance to ensure that all Army installations and activities hosting BSCs are informed of the requirements for conversion of MOAs to NCSCs. The Committee is convinced that taking this action, in conjunction with the appointment of a COR, will help to ensure the appropriate oversight and operation of the BSC initiative, and result in improved Government customer satisfaction with the BSC initiative.

If you would like more information or have questions, the Committee staff point of contact for this action is Barry S. Lineback at 703-603-2118 or blineback@jwod.gov.

Sincerely,



Leon A. Wilson, Jr.
Executive Director

cc: Kevin Lynch, Vice President, eCommerce
and Distribution, NIB